RICHARD BERNSTEIN ADVISORS

GLOBAL DIVIDEND KINGS®

THE DIVIDEND ATTRACTION

Investors today are challenged to find attractive sources of income for their portfolios. This reality, coupled with the closing of the gap between dividend and U.S. government bond yields, (see Chart 1) has prompted many investors to consider the potential benefits of taking a yield approach to equity investing. For investors who were intimidated by events during the global financial crisis, the simplicity and transparency of an approach that has the potential to provide both income and capital appreciation may be attractive.

A KEY COMPONENT OF TOTAL RETURN

Historically, dividends have made up a significant portion of stock market total return. According to Ibbotson Associates, dividends have provided approximately 42% of the 10.04% average annual total return on the S&P 500 Index from January 1926 through December 2016. In addition, from 2000-2016, dividend-payers outperformed the non-payers in 11 of those 17 years according to S&P Dow Jones Indices.

GLOBAL DEMOGRAPHICS

The number of people aged 65 or older is projected to grow from an estimated 524 million in 2010 to nearly 1.5 billion in 2050, with most of the increase in developing countries.[1] With more investors spending more years in retirement, we believe demand for dividend income will increase. Two-thirds of all investable assets will soon be controlled by older households concerned with income and wealth preservation.[2]

A GLOBAL APPROACH TO DIVIDENDS

Diversification is one of the principal advantages of global investing. Because global markets often follow different cycles than the U.S. markets, investing globally may provide gains when domestic markets are flat or declining. Consider that in 13 of the 30 calendar years from 1986 to 2016, the MSCI World ex USA Index outperformed the S&P 500 Index. It is important to note that diversification does not guarantee a profit or protect against loss.

By investing a portion of your portfolio outside the U.S., you may significantly expand your investment choices and participate in the long-term growth potential of foreign companies. The International Monetary Fund, in its April 2017 release, forecasts a global growth rate of 3.5% for 2017 and 3.6% for 2018. Its estimate for the U.S. is 2.3% for 2017 and 2.5% for 2018. In addition, dividend yields have typically been higher overseas, as shown in Chart 2. It is important to note that there can be no assurance that companies will declare dividends in the future or that, if declared, they will remain at current levels or increase over time.

[1]World Health Organization

[2]McKinsey

REASONS TO CONSIDER DIVIDEND-PAYING STOCKS

- Interest rates remain low
- Key component of total return
- Global demographics and diversification

CHART 1 | YIELD COMPARISON

S&P 500 INDEX VS. 10-YEAR TREASURY NOTE

Source: Bloomberg

Past performance is no guarantee of future results. When comparing the yields of the S&P 500 and 10-Year Treasury Note, it is important to remember that there are materially greater risks associated with investing in stocks than Treasury Notes. Comparisons to other fixed-income products would produce different results. This chart is for illustrative purposes only and is not indicative of any actual investment. Investors cannot invest directly in an index.

CHART 2 | YIELD COMPARISON

MSCI WORLD EX USA INDEX VS. S&P 500 INDEX

Source: Bloomberg.

Past performance is no guarantee of future results. This chart is for illustrative purposes only and not indicative of any actual investment. The MSCI World ex USA Index is an unmanaged index that measures large and mid cap representation across 22 Developed Markets (DM) countries – excluding the United States. With 1,023 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. The S&P 500 Index is an unmanaged index of 500 stocks used to measure large-cap U.S. stock market performance. Index performance does not reflect fees, brokerage commissions, taxes or other expenses of investing. Investors cannot invest directly in an index.

The Richard Bernstein Advisors Global Dividend Kings® Portfolio is a unit investment trust (UIT) focused on total return through a combination of dividend income and capital appreciation. The stocks are selected for the trust by Richard Bernstein Advisors (RBA) using a comprehensive process and held for approximately two years. A UIT is an investment vehicle which consists of a professionally selected unmanaged portfolio of securities which are held for a predetermined period of time. The value of the units of the trust will fluctuate each day with the value of the underlying securities; therefore it is possible to lose money by investing in the trust. There can be no assurance that the trust objective will be achieved. In addition, there is no guarantee that the issuers of the securities included in the portfolio will declare dividends in the future or that, if declared, they will either remain at current levels or increase over time.

RBA PORTFOLIO SELECTION PROCESS

RBA's quantitative techniques seek income in a risk-controlled process. This process seeks to gain yield while seeking to eliminate the highest-yielding stocks, which tend to be the most susceptible to dividend cuts. This helps to reduce the risk of the portfolio and may protect the yield.

COMPANIES IN THE MSCI ACWI INDEX

The MSCI ACWI Index is comprised of 23 developed and 23 emerging market countries.

DIVIDEND SCREEN

Screen for companies that have increased their trailing 12-month dividend each year for the previous 5 years.

EXCLUDE SPECIAL DIVIDENDS

A "special dividend" is typically a one-time payment.

OPTIMIZE FOR YIELD / MINIMIZE ACTIVE RISK EXPOSURE

A DISCIPLINED APPROACH TO YIELD

RBA starts with the companies listed on the MSCI ACWI Index. This index captures large and mid-cap representation across 23 developed and 23 emerging market countries. The index covers approximately 85% of the global investable equity market.

From this universe, RBA then screens for companies that have increased their trailing 12-month dividend each year for the previous 5 years. Special dividends are not included. The highest yielding stocks are removed, as they tend to be most susceptible to dividend cuts. This screening process generally results in 200 to 500 stocks.

RBA then uses a proprietary optimization method to weight the stocks. This final step attempts to reduce the volatility of the overall portfolio, while maximizing the yield. Thus, the strategy attempts to reduce risk in two ways: First, RBA screens for consistent dividend growth. Second, RBA uses a proprietary weighting method which strives to reduce overall portfolio volatility. From the initial universe of over two thousand, the resulting optimally weighted portfolio consists of less than 100 names. The trust will invest in U.S. listed securities of domestic and foreign companies, American Depository Receipts (ADRs) or Global Depository Recepits (GDRs) of foreign companies, and foreign listed securities.

RBA IS A REGISTERED INVESTMENT ADVISER FOCUSING ON LONGER TERM INVESTMENT STRATEGIES THAT COMBINE TOP-DOWN, MACROECONOMIC ANALYSIS AND QUANTITATIVELY-DRIVEN PORTFOLIO CONSTRUCTION, UTILIZING MR. BERNSTEIN'S WIDELY RECOGNIZED EXPERTISE IN STYLE INVESTING AND ASSET ALLOCATION.

The firm's Chief Executive and Chief Investment Officer, Mr. Bernstein has over 35 years' experience on Wall Street, including most recently as the Chief Investment Strategist at Merrill Lynch & Co. RBA acts as sub-advisor for mutual funds and also selects portfolios for income-oriented Unit Investment Trusts sponsored by First Trust Portfolios L.P. Additionally, RBA runs exchange-traded fund asset allocation portfolios and separately managed accounts and is the index provider for two exchange-traded funds. RBA has approximately $4.3 billion in assets under advisement as of March 31, 2017.

First Trust

You should consider the portfolio's investment objective, risks, and charges and expenses carefully before investing. Contact your financial advisor or call First Trust Portfolios L.P. at the number listed below to request a prospectus, which contains this and other information about the portfolio. Read it carefully before you invest.

RISK CONSIDERATIONS

An investment in this unmanaged unit investment trust should be made with an understanding of the risks involved with owning common stocks, such as an economic recession and the possible deterioration of either the financial condition of the issuers of the equity securities or the general condition of the stock market.

An investment in a portfolio containing equity securities of foreign issuers is subject to additional risks, including currency fluctuations, political risks, withholding, the lack of adequate financial information, and exchange control restrictions impacting foreign issuers. Risks associated with investing in foreign securities may be more pronounced in emerging markets where the securities markets are substantially smaller, less developed, less liquid, less regulated, and more volatile than the U.S. and developed foreign markets.

An investment in a portfolio containing small-cap and mid-cap companies is subject to additional risks, as the share prices of small-cap companies and certain mid-cap companies are often more volatile than those of larger companies due to several factors, including limited trading volumes, products, financial resources, management inexperience and less publicly available information.

Certain of the securities in the portfolio are issued by Real Estate Investment Trusts (REITs). Companies involved in the real estate industry are subject to changes in the real estate market, vacancy rates and competition, volatile interest rates and economic recession.

The value of the securities held by the trust may be subject to steep declines or increased volatility due to changes in performance or perception of the issuers.

This UIT is a buy and hold strategy and investors should consider their ability to hold the trust until maturity. There may be tax consequences unless units are purchased in an IRA or other qualified plan.

The information presented is not intended to constitute an investment recommendation for, or advice to, any specific person. By providing this information, First Trust is not undertaking to give advice in any fiduciary capacity within the meaning of ERISA and the Internal Revenue Code. First Trust has no knowledge of and has not been provided any information regarding any investor. Financial advisors must determine whether particular investments are appropriate for their clients. First Trust believes the financial advisor is a fiduciary, is capable of evaluating investment risks independently and is responsible for exercising independent judgment with respect to its retirement plan clients.

NOT FDIC INSURED | NOT BANK GUARANTEED | MAY LOSE VALUE

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